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Re:

Comments on Proposed Amendments to 30 C.F.R. Part 243, Release of Relevant Third-Party Proprietary Information

Dear Mr. Guzy:

The following comments are submitted by this firm on behalf F-W Oil Interests, Inc. ("F-W Oil"), 5151 San Felipe, Suite 1200, Houston, Texas 77056.

F-W Oil is strongly opposed to the adoption of the proposed rule. In virtually all cases, proprietary information has been furnished to the MMS based on the expectation that the information will remain confidential, and it would be an extraordinary breach of that expectation to release such information.

Much of the information submitted to the MMS is developed by oil operators at great cost, and is regarded as extremely valuable and secret material. Given the extremely secret nature of the material, F-W Oil believes that the types of safeguards suggested in the regulations are not adequate to provide the appropriate level of confidence that it will not be used for competitive purposes.

F-W Oil responds as follows to the specific questions set forth at 62 Fed. Reg. 16118:

# **Question No. 2:**

When there is an appeal of an MMS order or ADR, should MMS release relevant proprietary information if the requester signs confidentiality and liability agreements?

### Response of F-W Oil:

No. For the reasons stated herein, F-W Oil is strongly opposed to the release of such information.

## **Question No. 3:**

Should MMS notify the submitters that the proprietary information has been requested?

## Response of F-W Oil:

Yes. Further, submitters should have an opportunity to oppose release of the information.

### Question No. 4.A.:

Are the proposed safeguards of this rulemaking adequate to protect the submitter's interests?

### Response of F-W Oil to Question 4.A.:

No. F-W Oil believes that, given the extremely secret and proprietary nature of certain information, these safeguards are not adequate.

## **Question No. 4.B.:**

Are there additional safeguards that MMS should include in this rule?

#### Response of F-W Oil to Question 4.B.:

F-W Oil believes that safeguards of the type suggested will never be adequate to provide suitable protection. F-W Oil therefore requests that the proposed rule not be adopted.

# **Question No. 5:**

Should this rule include release of relevant proprietary information needed to file appeals with the MMS Director or defend against civil penalties under 30 C.F.R. Parts 241 or 251?

#### Response of F-W Oil:

F-W Oil continues to believe that the types of proprietary information involved should not be released under any circumstances.

#### Question No. 6:

Should MMS restrict the proposed list of people allowed to review the relevant proprietary information further than the proposed rule requires?

## Response of F-W Oil:

F-W Oil continues to believe that, given the extremely sensitive nature of certain material furnished to the MMS, the proposed rule should not be adopted, and the material should not be released.

Finally, although it seems clear that the proposed rule relates only to the Royalty Management Program, and not to operational matters, the proposed rule is certainly a step in the wrong direction. F-W Oil submits that this unfortunate precedent should not be set, and urges that the MMS not adopt this rule.

Yours very truly,

Berry St. John

Attorney for F-W Oil Interests, Inc.

/jbs